



ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

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Transportation Update

June 2004

State Budget Update

The Legislature's Conference Committee has resolved the transportation component of the 2004-05 budget.

Repayment of Transportation Loans -- The Conference Committee adopted the proposal to accelerate the repayment of loans made from transportation accounts to the general fund. Under this plan \$243 million would be transferred from the general fund to the Traffic Congestion Relief Fund (TCRF), and \$140 million in "spill over" funds would be directed to the TCRF rather than the Public Transportation Account (PTA). The infusion of \$383 million would then be distributed from the TCRF as follows:

- Repay \$183 million of the outstanding \$374 million loan made from the SHA to the TCRF. These revenues would be used for STIP projects
- Repay \$36 million of the \$275 million outstanding loan made from the PTA to the TCRF. These funds would be used for transit capital projects, and would not contribute to transit operations.
- The remaining \$163 million would be dedicated to meeting existing funding commitments for Traffic Congestion Relief Program projects.

Proposition 42 – The Budget would suspend the transfer of gasoline sales tax revenue in 2004-05 pursuant Proposition 42, but this revenue, approximately \$1.2 billion, would be repaid in 2007-08.

State Transit Assistance – With gas prices reaching record levels, the calculation for

STA revenue is ratcheted upward by nearly \$16 million. This increases the STA allocation to \$117.4 million in 2004-05.

Tribal Gaming Revenue – The Conference Committee adopted Budget Control Language directing the onetime revenues resulting from renegotiation of the tribal gaming compacts toward repayment of outstanding transportation loans. While the negotiations are not complete on the tribal gaming compacts, it has been reported that the new compacts will result in a onetime revenues of \$1 billion that would flow into various transportation pots in 2004-05.

The Conference Committee adopted the Assembly version of the budget, which appropriates \$335 million from the compact revenue to fund additional TCRP project allocations. Combined with the \$163 million already approved, nearly \$500 million would be available in the 2004-05 Budget year for TCRP projects. This would allow the CTC to make new allocation votes. The remaining revenue would be allocated as follows:

- \$279 million (plus interest) to the SHA, for a total infusion of \$462 million in 2004-05 for STIP projects;
- \$239 to the PTA for transit capital and operations, which pays-off the existing loan made from the TCRF to the PTA; and
- \$147 million to cities and counties for local streets and roads.

Transit Property Tax Revenues -- One modification to the local government "agreement" is in the \$350 million ERAF shift from Special Districts. The proposal was adjusted recently. Initially, a whopping 40% of transit district property tax revenues were to be taken by the State. Now, a more manageable 3% of property tax revenues for each of the next two years would be taken. For AC Transit, this means a drop to \$1.5 million per year (\$3 million for two years) rather than \$20 million per year (\$40 million over 2 years). For BART the amount will drop from \$9.2 million each year to \$690,000.

East Bay legislators, along with the voices of many transit riders, carried the fight for the transit district ERAF adjustment. Attention now turns to the share of cuts allocated to multi-county regional parks. Still in question is a huge reduction to East Bay Regional Parks District - \$18 million property tax shift for each of the next two years.

Continued Caution -- Other unresolved issues include Trial Court Funding, fire fees for state responsibility areas (Dept. of Forestry & Fire Protection), Medi-Cal drug benefits, booking fee reimbursement, large reductions in funding for the UC, CSU, and Community College systems, and a number of K-12 education funding items.

Legislation

SCA 20 (Torlakson) -- This measure would amend the State Constitution to change the vote threshold for suspending Proposition 42 from two-thirds to four-fifths, would require the Governor to make a written proclamation that the suspension is necessary due to a disaster, and would tighten other conditions. This measure is consistent with the CMA's adopted Legislative Program. The CMA supports this measure.

Deadlines to Note

2004 Countywide Transportation Plan (CWTP) & 2005 Regional Transportation Plan (RTP)

Draft RTP December 2004

Final RTP January 2005

2004 State Transportation Improvement Program (STIP)

CTC Adopts 2004 STIP August 2004

Transportation Fund for Clean Air (TFCA):

Regional Program

Applications Due to Air District June 30, 2004

Air District Draft Program September 2004

Final Program October 2004

Upcoming Meetings

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| July | 6 | CMA Technical Advisory Committee |
| | 8 | San Pablo Policy Advisory Committee |
| | 12 | CMA Administration & Legislation Committee |
| | 12 | CMA Plans & Programs Committee |
| | 22 | CMA Board Meeting |

August 4/5 CTC (Sacramento)

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